



## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-580-872, A-580-878, A-580-881, A-580-883, A-580-887, A-580-891]

Non-Oriented Electrical Steel from the Republic of Korea, Certain Corrosion-Resistant Steel Products from the Republic of Korea, Certain Cold-Rolled Steel Flat Products from the Republic of Korea, Certain Hot-Rolled Steel Flat Products from the Republic of Korea, Certain Carbon and Alloy Steel Cut-to-Length Plate from the Republic of Korea, and Carbon and Alloy Steel Wire Rod from the Republic of Korea: Notice of Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: In response to a request for a changed circumstances review (CCR), the U.S.

Department of Commerce (Commerce) is initiating a CCR of the antidumping duty (AD) orders on non-oriented electrical steel, certain corrosion-resistant steel products, certain cold-rolled steel flat products, certain hot-rolled steel flat products, certain carbon and alloy steel cut-to-length plate, and carbon and alloy steel wire rod from the Republic of Korea (Korea). Additionally, Commerce preliminarily determines that POSCO, following a corporate organizational change in March 2022 (hereinafter, POSCO(II)), is the successor-in-interest to the pre-reorganization POSCO entity (hereinafter, POSCO(I)). As such, POSCO(II) is entitled to POSCO(I)'s AD cash deposit rates with respect to entries of subject merchandise in each of the above-referenced proceedings. Interested parties are invited to comment on these preliminary results.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Christopher Maciuba, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-0413.

SUPPLEMENTARY INFORMATION:

Background

On May 23 and 24, 2022, POSCO(II) notified Commerce of a corporate reorganization and requested that, if necessary, Commerce initiate CCRs under the relevant AD proceedings to determine that it is the successor-in-interest to POSCO(I) for purposes of determining AD cash deposits.<sup>1</sup> In this request, POSCO(II) stated that, on December 10, 2021, the board of directors of POSCO(I) initially approved a corporate reorganization whereby POSCO(I) would be registered as POSCO Holdings, and POSCO(I)'s production and sales operations for its steel business would be organized under a new business unit, POSCO(II), which would be a subsidiary of POSCO Holdings.<sup>2</sup> Subsequently, POSCO Holdings and POSCO(II) were registered on March 2, 2022.<sup>3</sup>

POSCO(II) states that, as a result of the reorganization, the operations, assets, and liabilities associated with POSCO(I)'s steel business are now organized under POSCO(II). Further, POSCO Holdings became the parent company to POSCO(II) and retains all of the other subsidiaries of POSCO(I) unrelated to the production and sale of steel products.<sup>4</sup> With the reorganization, on March 2, 2022, POSCO(II) became a private company wholly owned by POSCO Holdings, and POSCO Holdings is the publicly owned stock company (*i.e.*, the function that POSCO(I) had previously served).

#### Scope of the Orders

The merchandise covered by the orders is non-oriented electrical steel, certain corrosion-resistant steel products, certain cold-rolled steel flat products, certain hot-rolled steel flat products, certain carbon and alloy steel cut-to-length plate, and carbon and alloy steel wire rod

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<sup>1</sup> See POSCO's Letters, "Notification of Corporate Reorganization and Request for Changed Circumstances Review, If Deemed Necessary: Vertical Spinoff of POSCO," dated May 23, 2022; and "Notification of Corporate Reorganization and Request for Changed Circumstances Review, If Deemed Necessary: Vertical Spinoff of POSCO," dated May 24, 2022 (collectively, POSCO CCR Request); *see also* POSCO's Letter, "Clarification of Notification of Corporate Reorganization and Request for Changed Circumstances Review, If Deemed Necessary," dated May 25, 2022.

<sup>2</sup> See POSCO CCR Request at 3 and Attachment 1.

<sup>3</sup> *Id.* at 3 and Attachments 8 and 9.

<sup>4</sup> *Id.* at 4 and Attachments 10, 11, and 12.

from Korea. For a complete description of the scope of each of the respective orders, *see* the Preliminary Decision Memorandum.<sup>5</sup>

#### Initiation of Changed Circumstances Review

Pursuant to section 751(b)(1) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.216 and 351.221(c)(3), Commerce will conduct a CCR of an order upon receipt of information concerning, or a request from an interested party for a review of, an order which shows changed circumstances sufficient to warrant a review of the order. Commerce finds that the information submitted by POSCO(II) demonstrates changed circumstances sufficient to warrant such a review. Therefore, in accordance with section 751(b)(1) of the Act and 19 CFR 351.216(d), Commerce is initiating CCRs based on the information contained in POSCO(II)'s request that Commerce determine POSCO(II) is the successor-in-interest to POSCO(I) for purposes of the orders.<sup>6</sup>

Further, 19 CFR 351.221(c)(3)(ii) permits Commerce to combine the notice of initiation of a CCR and the notice of preliminary results of a CCR if Commerce concludes that expedited action is warranted. In this instance, because the record contains information necessary to make

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<sup>5</sup> See Memorandum, "Decision Memorandum for the Initiation and Preliminary Results of the Changed Circumstances Review of the Antidumping Duty Orders on Non-Oriented Electrical Steel from the Republic of Korea, Certain Corrosion-Resistant Steel Products from the Republic of Korea, Certain Cold-Rolled Steel Flat Products from the Republic of Korea, Certain Hot-Rolled Steel Flat Products from the Republic of Korea, Certain Carbon and Alloy Steel Cut-to-Length Plate from the Republic of Korea, and Carbon and Alloy Steel Wire Rod from the Republic of Korea," dated July 7, 2022.

<sup>6</sup> See *Non-Oriented Electrical Steel from the People's Republic of China, Germany, Japan, the Republic of Korea, Sweden, and Taiwan: Antidumping Duty Orders*, 79 FR 71741 (December 3, 2014); *Certain Corrosion-Resistant Steel Products from India, Italy, the People's Republic of China, the Republic of Korea, and Taiwan: Amended Final Affirmative Antidumping Determination for India and Taiwan, and Antidumping Duty Orders*, 81 FR 48390 (July 25, 2016); *Certain Cold-Rolled Steel Flat Products from Brazil, India, the Republic of Korea, and the United Kingdom: Amended Final Affirmative Antidumping Determinations for Brazil and the United Kingdom and Antidumping Duty Orders*, 81 FR 58475 (August 25, 2016); *Certain Hot-Rolled Steel Flat Products from Australia, Brazil, Japan, the Republic of Korea, the Netherlands, the Republic of Turkey, and the United Kingdom: Amended Final Affirmative Antidumping Determinations for Australia, the Republic of Korea, and the Republic of Turkey and Antidumping Duty Orders*, 81 FR 67962 (October 3, 2016); *Certain Carbon and Alloy Steel Cut-To-Length Plate from Austria, Belgium, France, the Federal Republic of Germany, Italy, Japan, the Republic of Korea, and Taiwan: Amended Final Affirmative Antidumping Determinations for France, the Federal Republic of Germany, the Republic of Korea and Taiwan, and Antidumping Duty Orders*, 82 FR 24096 (May 25, 2017); *Carbon and Alloy Steel Wire Rod from Italy, the Republic of Korea, Spain, the Republic of Turkey, and the United Kingdom: Antidumping Duty Orders and Amended Final Affirmative Antidumping Duty Determinations for Spain and the Republic of Turkey*, 83 FR 23417 (May 21, 2018).

a preliminary finding, we find that expedited action is warranted and have combined the notice of initiation and the notice of preliminary results.

### Methodology

In determining whether one company is the successor to another, Commerce generally considers a company to be the successor-in-interest for AD cash deposit purposes if the operations of the successor are not materially dissimilar from those of its predecessor.<sup>7</sup> In making this determination, Commerce examines a number of factors including, but not limited to, changes in: (1) management; (2) production facilities; (3) suppliers; and (4) customer base.<sup>8</sup> While no one or several of these factors will necessarily provide a dispositive indication of succession, if the evidence demonstrates that, with respect to the production and sale of the subject merchandise, the new company operates as the same business entity as the prior company, Commerce will assign the new company the cash deposit rate of its predecessor.<sup>9</sup>

Commerce's analysis of the information submitted by POSCO(II) is detailed in the Preliminary Decision Memorandum. A list of the topics discussed in the Preliminary Decision Memorandum is included as an appendix to this notice. The Preliminary Decision Memorandum is a public document and is made available to the public via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum is available at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

### Preliminary Results of the Changed Circumstances Reviews

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<sup>7</sup> See *Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review: Multilayered Wood Flooring from the People's Republic of China*, 79 FR 48117 (August 15, 2014), unchanged in *Multilayered Wood Flooring from the People's Republic of China: Final Results of Changed Circumstances Review*, 79 FR 58740 (September 30, 2014).

<sup>8</sup> *Id.*

<sup>9</sup> See, e.g., *Certain Preserved Mushrooms from India: Initiation and Preliminary Results of Changed-Circumstances Review*, 67 FR 78416 (December 24, 2002), unchanged in *Certain Preserved Mushrooms from India: Final Results of Changed-Circumstances Review*, 68 FR 6884 (February 11, 2003); and *Fresh and Chilled Atlantic Salmon from Norway: Final Results of Changed Circumstances Antidumping Administrative Review*, 64 FR 9979, 9980 (March 1, 1999).

In its CCR Request, POSCO(II) provided evidence demonstrating that its operations are not materially dissimilar from those of POSCO(I). Specifically, POSCO(II) is managed and operated by many of the same managers as POSCO(I), either directly as board members or members of POSCO(II)'s management team, or indirectly as members of POSCO Holdings' management team. Further, POSCO(II) has not added, or discontinued use of, steel production facilities as a result of the change in ownership and management structure. Finally, there have been no significant changes to the company's suppliers and customer base. Based on the foregoing, which is explained in greater detail in the Preliminary Decision Memorandum, we preliminarily determine that POSCO(II) is the successor-in-interest to POSCO(I) and, as such, that POSCO(II) is entitled to POSCO(I)'s AD cash deposit rate with respect to entries of subject merchandise.

#### Public Comment

In accordance with 19 CFR 351.309(c)(1)(ii), interested parties may submit case briefs not later than 14 days after the date of publication of this notice.<sup>10</sup> Rebuttal briefs, limited to issues raised in case briefs, may be filed not later than seven days after the due date for case briefs, in accordance with 19 CFR 351.309(d).<sup>11</sup> Parties who submit case briefs or rebuttal briefs in this CCR are requested to submit with each argument: (1) a statement of the issues; (2) a brief summary of the arguments; and (3) a table of authorities.<sup>12</sup>

Pursuant to 19 CFR 351.310(c), any interested party may request a hearing within 14 days of publication of this notice.<sup>13</sup> Hearing requests should contain the following information: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations at the hearing will be limited to issues raised in the briefs. If a request for a hearing is made, Commerce intends to hold the hearing at a time and

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<sup>10</sup> Commerce is exercising its discretion under 19 CFR 351.309(c)(1)(ii) to alter the time limit for the filing of case briefs.

<sup>11</sup> See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19*, 85 FR 17006, 17007 (March 26, 2020).

<sup>12</sup> See 19 CFR 351.309(c)(2).

<sup>13</sup> Commerce is exercising its discretion under 19 CFR 351.310(c) to alter the time limit for requesting a hearing.

date to be determined. Parties should confirm the date and the time of the hearing two days before the scheduled date.

All submissions must be filed electronically using ACCESS and must also be served on interested parties. An electronically-filed document must be received successfully in its entirety by ACCESS by 5:00 PM Eastern Time (ET) on the due date.<sup>14</sup> Note that Commerce has temporarily modified certain requirements for serving documents containing business proprietary information, until further notice.<sup>15</sup>

### Final Results

Consistent with 19 CFR 351.216(e), we intend to issue the final results of these CCRs no later than 270 days after the date on which this review was initiated, or within 45 days of publication of these preliminary results, if all parties agree to the preliminary findings.

### Notification to Interested Parties

We are issuing and publishing this initiation and preliminary results notice in accordance with section 751(b)(1) and 777(i)(1) of the Act, and 19 CFR 351.216(b) and 351.221(c)(3).

Dated: July 7, 2022.

Lisa W. Wang,  
Assistant Secretary  
for Enforcement and Compliance.

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<sup>14</sup> See 19 CFR 351.303(b).

<sup>15</sup> See *Temporary Rule Modifying AD/CVD Service Requirements Due to Covid-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

## **Appendix**

### **List of Topics Discussed in the Preliminary Decision Memorandum**

- I. Summary
- II. Background
- III. Scopes of the Orders
- IV. Current Cash Deposit Rates
- V. Initiation and Preliminary Results of the Changed Circumstances Review
- VI. Successor-in-Interest Determination
- VII. Recommendation

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